

CALIFORNIA ENERGY COMMISSION

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Sacramento, California 95814

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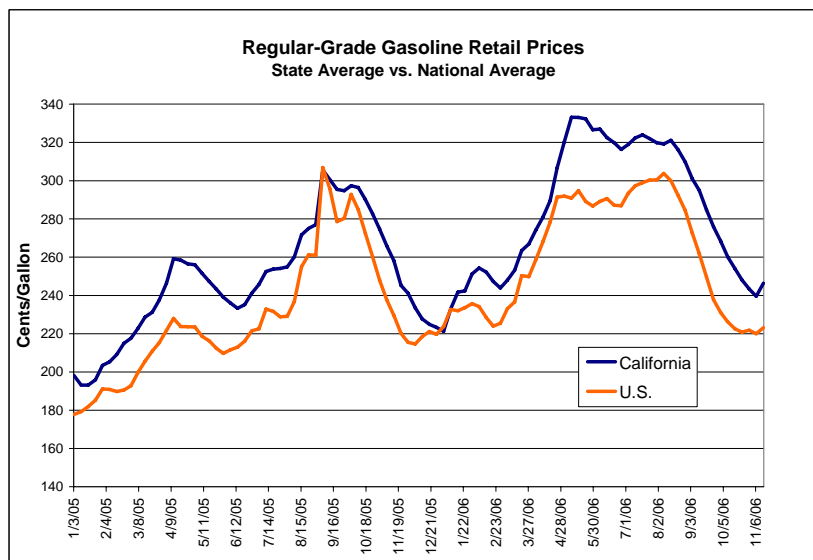
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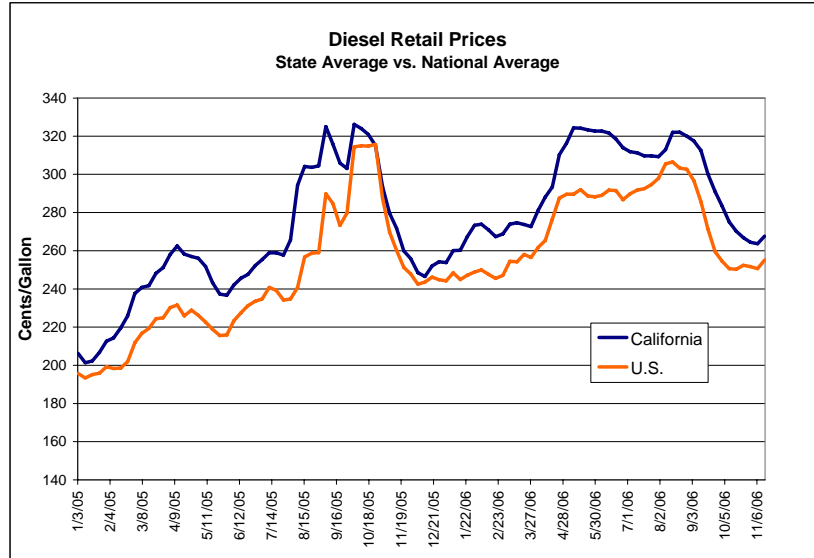
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****November 17, 2006*****Retail Gasoline and Diesel Prices on November 13***

- Ending 12 consecutive weeks of declining prices, California gasoline prices rebounded this week. The average statewide **retail price for regular-grade gasoline** increased 7 cents to \$2.46 per gallon, 87 cents less than the record high of \$3.33 on May 8.ⁱ
- The difference between California and U.S. retail gasoline prices increased 4 cents to 23 cents per gallon. The U.S. prices rose to \$2.23 per gallon, 3 cents more than last week but 81 cents less than on August 7.



- The average California **retail diesel price** rose 4 cents from the previous week to \$2.68 per gallon. At the same time, the U.S. retail diesel price rose to \$2.55, keeping the difference between California and U.S. prices at 13 cents per gallon.

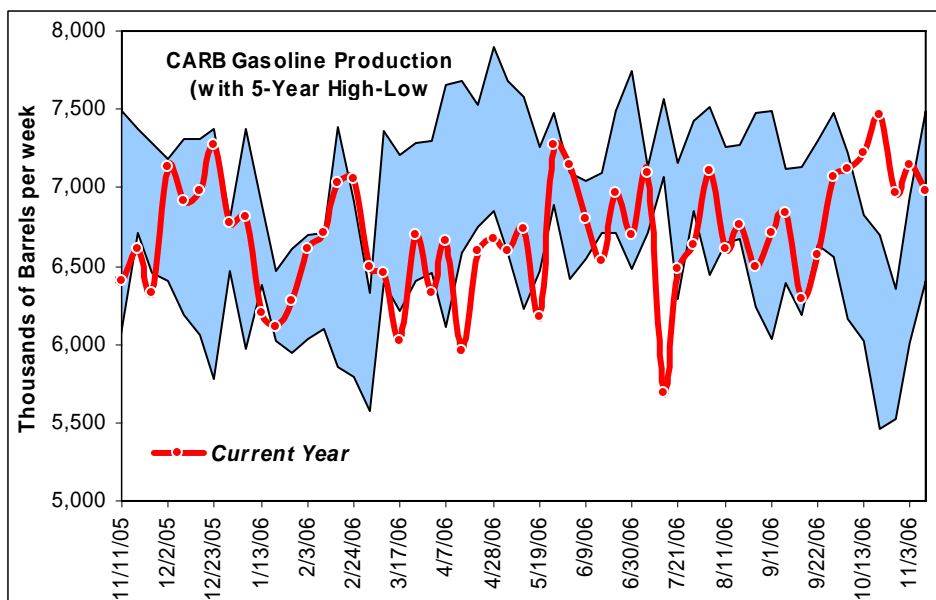


Wholesale Gasoline and Diesel Prices on November 14

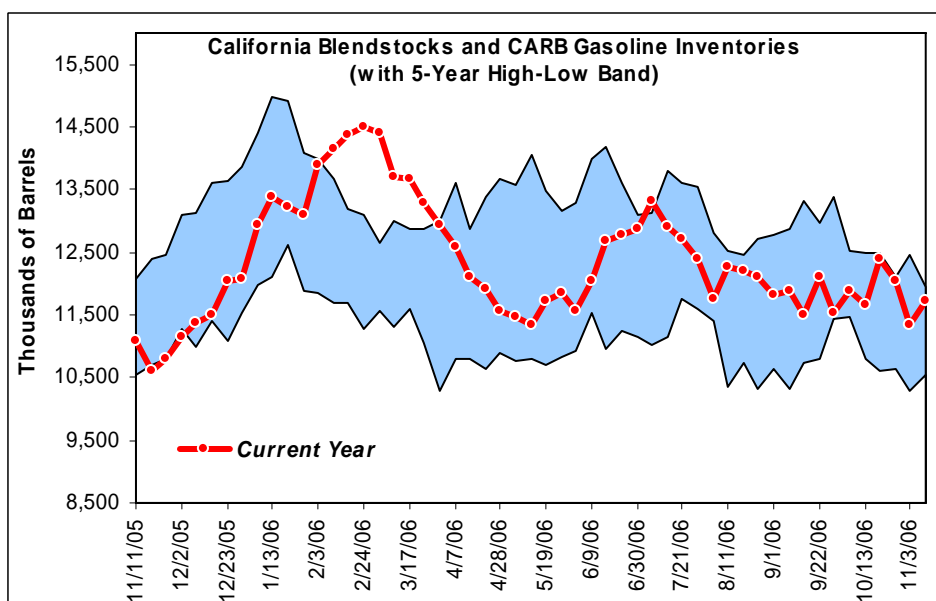
- After spiking briefly during the latest week, California spot **wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) ended up declining 2 cents from last week to \$1.78 per gallon. Prices are \$1.19 lower than the record high of \$2.97 on May 2.
- The impacts of the ongoing refinery maintenance season on this week's gasoline prices have been offset by slightly lower crude oil prices, fairly strong state gasoline production, and higher inventories, keeping prices at relatively moderate levels.
- Spot prices for RBOB in Los Angeles are 23 cents higher than New York Harbor and 24 cents more than the Gulf Coast, down 6 cents and 3 cents, respectively, from last week.
- After spiking similarly to gasoline prices, California spot **wholesale ultra low-sulfur diesel prices** ended \$1.83 per gallon, unchanged from last week and 85 cents lower than the record high of \$2.68 on May 3.
- California wholesale ultra low-sulfur diesel prices are 13 cents per gallon more than New York Harbor and 15 cents more than the Gulf Coast, compared to 11 cents and 9 cents more, respectively, on November 7.
- California gasoline ended the reporting week at 5 cents less than California diesel, compared to 3 cents less on November 7.
- The Energy Information Administration (EIA) weekly assessment for November 10 reports that **U.S. gasoline demand** decreased 1.6 percent from the previous week, while distillate demand increased 5.5 percent. The four-week average demand for gasoline is 9.34 million barrels per day, 2.6 percent more than last year's four-week average. The four-week average for U.S. distillate demand is 4.46 million barrels per day, 8.2 percent more than last year. However, last year's U.S. fuel demand levels were still unusually low because of the impacts of Hurricanes Katrina and Rita.

Refinery Production and Inventories

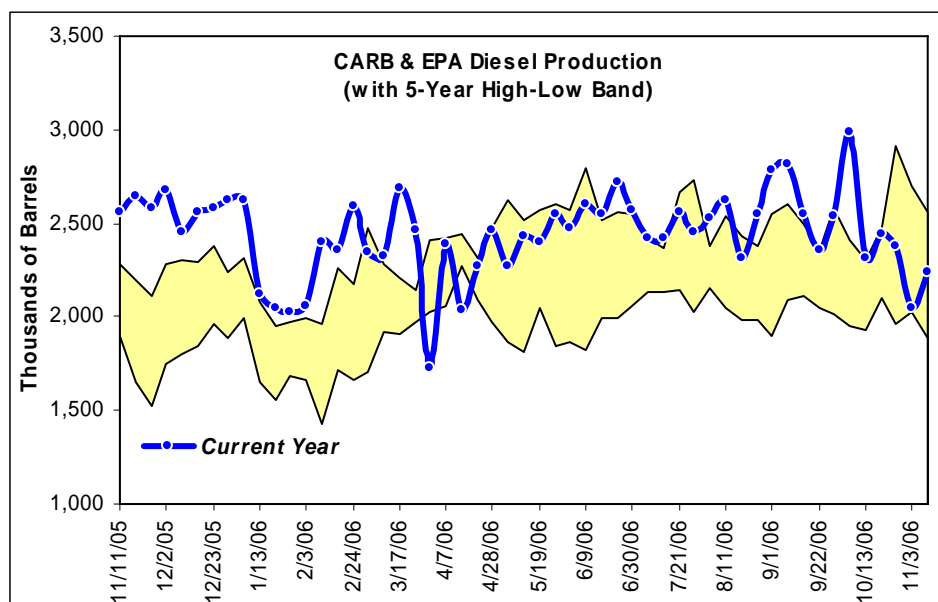
- **Reformulated gasoline production** in California for the week ending November 10 decreased 2.3 percent from the previous week to 6.98 million barrels. Production levels fell back toward the middle of the five-year range.ⁱⁱ



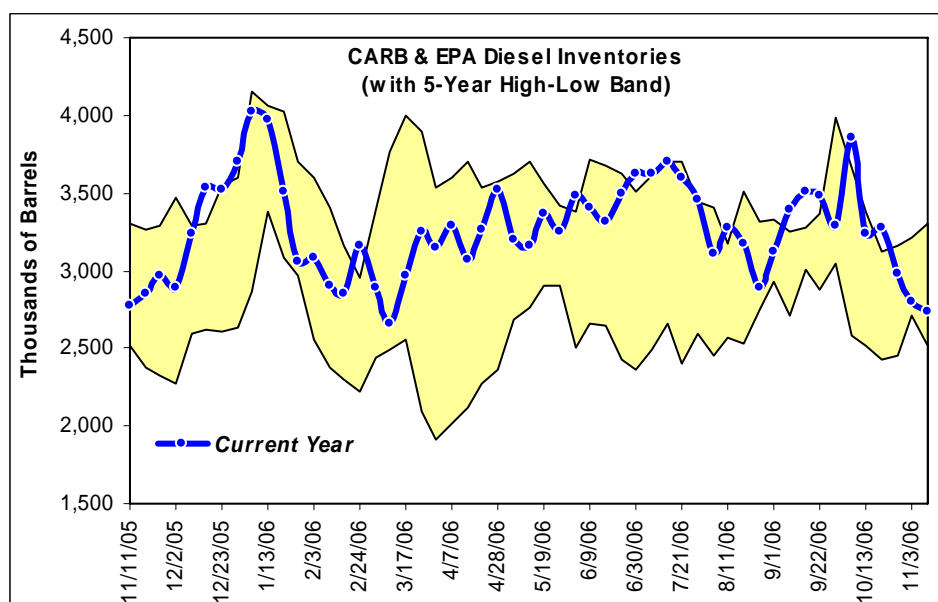
- California reformulated gasoline inventories increased by 2.1 percent, and gasoline blendstock inventories rose by 4.4 percent during the last week. As a result, **combined inventories** of reformulated gasoline and gasoline blendstocks in the state **increased by 3.3 percent** to 11.73 million barrels, rising toward the upper end of the five-year range.



- U.S. gasoline inventories dropped 3.8 million barrels to 200.3 million barrels as of November 10. Inventories declined slightly on the Gulf Coast, East Coast and West Coast.
- California **ultra low-sulfur diesel production** during the week ending November 10, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel, increased by 9.5 percent from the previous week to 2.24 million barrels and rose to the middle of the five-year range. However, output is 12.3 percent less than year-ago levels.

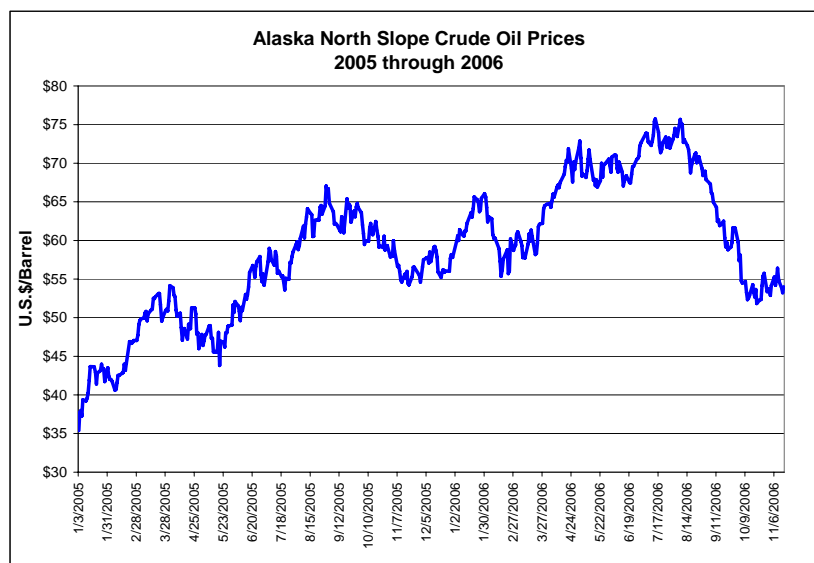


- Combined **ultra low-sulfur diesel inventories** in California fell by 2.5 percent from the previous week to 2.73 million barrels and remain near the bottom of the five-year range. Total U.S. distillate inventories as of November 10 dropped sharply to 135 million barrels, 3.6 million barrels less than the previous week. Inventories declined in all regions of the United States.



Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, declined slightly over the past week with U.S. crude oil inventories well above the upper end of the average range for this time of year. This factor, combined with lower crude oil refinery input and the return to production of Canada's Terra Nova facility after planned maintenance, has caused ANS prices to drop slightly to \$54.01 per barrel on November 15.ⁱⁱⁱ
- OPEC ministers are scheduled to meet on December 14 and will discuss the possibility of further output cuts if consumer inventories are still “very high” at that time. There is some disagreement among OPEC members as to the need for cuts, with some ministers believing the oil markets are currently in balance and that there is no need to tighten supply.



- U.S. commercial crude oil inventories as of November 10 rose by 1.3 million barrels to 336 million barrels. Stocks are 14.6 million barrels higher than last year and 35.4 million higher than the five-year average. California crude oil stocks grew 2.7 percent from the previous week to 16.5 million barrels.

ⁱ Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

ⁱⁱ California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

ⁱⁱⁱ ANS crude oil prices are from *The Wall Street Journal*.